

**IC 20-42-2****Chapter 2. County Administration of Congressional Township School Fund****IC 20-42-2-1****Application**

Sec. 1. This chapter applies to a county that has money in a fund.  
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-2****"Fund"**

Sec. 2. As used in this chapter, "fund" refers to a congressional township school fund administered by a county.  
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-3****Sources of fund**

Sec. 3. The fund derived from the sale of congressional township school lands constitutes the congressional township school fund.  
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-4****Prohibition on reducing principal of fund**

Sec. 4. The fund shall never be diminished in amount.  
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-5****County liability for fund**

Sec. 5. A county shall be held liable for the:

- (1) preservation of the part of the fund as is entrusted or has been entrusted to the county; and
- (2) payment of the annual interest on the fund, at the rate established by law.

*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-6****Deposit of interest in fund**

Sec. 6. The payment of annual interest must be full and complete every year. The payment must appear in the county auditor's report to the state superintendent. The state superintendent shall, at any time when the state superintendent discovers that there is a deficit in the amount collected, direct the attention of the board of county commissioners and the county auditor to the fact. The board of commissioners shall provide for the deficit in the commissioners' respective counties.  
*As added by P.L.2-2006, SEC.165.*

**IC 20-42-2-7****Annual distribution of balance to school corporations**

Sec. 7. The county auditor of each county shall, semiannually, on

the second Monday of July and on the last Monday in January make apportionment of the amount of the congressional township school revenue belonging to each school corporation. The apportionment shall be paid to each school corporation's treasurer.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-8**

##### **Report to state superintendent**

Sec. 8. The county auditor shall report the amount apportioned to the state superintendent, verified by affidavit.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-9**

##### **Distributions proportional to balance deposited in fund from township**

Sec. 9. The income of the fund belonging to any congressional township or part of a congressional township may not be:

- (1) diminished by an apportionment; or
- (2) diverted or distributed to another township.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-10**

##### **Loans; required interest rate**

Sec. 10. The:

- (1) principal belonging to the fund; and
- (2) accumulations to the principal of a fund held by a county; must be loaned at four percent (4%) per annum. Loans made before June 1, 1943, with a rate of interest higher than four percent (4%) per annum must have an interest rate of four percent (4%) per annum.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-11**

##### **Minimum balance; loans; maximum term**

Sec. 11. In a county where the total amount in the:

- (1) common school fund; or
- (2) fund;

accumulates to the amount of at least one thousand dollars (\$1,000), a county may borrow and use the funds, or any part of the funds, for any lawful purpose for a period not exceeding five (5) years.

*As added by P.L.2-2006, SEC.165. Amended by P.L.162-2006, SEC.41.*

#### **IC 20-42-2-12**

##### **Form of loan agreement**

Sec. 12. (a) If a county council borrows funds under this chapter, the county council shall adopt an ordinance specifying the amount of the funds to be borrowed and specify the time when the loan will be made. The board of county commissioners shall execute to the state of Indiana for the use of the funds a written obligation, executed by the board of county commissioners and attested by the county

auditor, that specifies the following:

- (1) The facts under which the written obligation is executed.
- (2) The sum of money borrowed.
- (3) The time when the money will be repaid to the fund by the county.

(b) The obligation must be deposited with the county auditor. The county auditor shall retain the obligation and record entries concerning the loans. The provisions of IC 6-1.1-20 concerning the loan to the county from the school funds apply to this section.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-13**

##### **Distribution of loaned amount from fund**

Sec. 13. After the obligation is deposited with the county auditor under section 12 of this chapter, the county auditor shall issue a warrant to the county treasurer to be paid to the county for the amount of money specified in the ordinance and obligation. When the warrant is presented to the county treasurer, the treasurer shall transfer from the fund the amount contained in the warrant from the principal sum of the fund to the credit of the county revenue of the county. Funds transferred under this section become a part of the general revenue funds of the county.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-14**

##### **Investments**

Sec. 14. (a) If the funds remain in the county treasury of the county for four (4) months without having been loaned under this chapter, upon the request of the county auditor, the board of county commissioners may, by an order entered of record, direct the county treasurer to invest the funds in:

- (1) bonds, notes, certificates, and other valid obligations of the United States; and
- (2) bonds, notes, debentures, and other securities issued by any federal instrumentality that are fully guaranteed by the United States.

(b) If it becomes necessary to obtain the funds invested in the government bonds under subsection (a) to be able to make a loan to any borrower, whose application has been approved and granted, the treasurer shall sell, at the earliest opportunity, a sufficient amount of the government bonds to make the loan.

*As added by P.L.2-2006, SEC.165.*

#### **IC 20-42-2-15**

##### **Receipts for payment of principal or interest on loan**

Sec. 15. All payments of principal or interest must be paid to the county treasurer. The:

- (1) treasurer shall file a receipt with the county auditor; and
- (2) auditor shall give the payor a receipt and record the payment.

The county auditor may accept payment of principal or interest if the county auditor can immediately transmit and pay the payment to the county treasurer.

*As added by P.L.2-2006, SEC.165.*